

COMMONWEALTH OF MASSACHUSETTS—ELECTRONICS AND CATHODE RAY TUBE REPAIR AND RECYCLING RFR

*** This is a contract excerpt only. To view the entire contract please view the file listed after the heading, “Entire Contract:”. To find this file, search the Home Electronics or Computers aisle on the EPP Database <notes.erg.com> for the Commonwealth of Massachusetts Electronics and Cathode Ray Tube Repair and Recycling contract.

EPP-SPECIFIC LANGUAGE

GENERAL RFR INFORMATION

Best Value Selection and Negotiation. The PMT may select the response(s) which demonstrates the best value overall, including proposed alternatives, that will achieve the procurement goals of the department. The PMT and a selected bidder, or a contractor, may negotiate a change in any element of contract performance or cost identified in the original RFR or the selected bidder's or contractor's response which results in lower costs or a more cost effective or better value than was presented in the selected bidder's or contractor's original response.

Brand Name or Equal. Unless otherwise specified in this RFR, any reference to a particular trademark, trade name, patent, design, type, specification, producer or supplier is not intended to restrict this RFR to any manufacturer or proprietor or to constitute an endorsement of any commodity or service, and the department may consider clearly identified offers of substantially equivalent commodities and services submitted in response to such reference.

Alternatives. A response which fails to meet any material term or condition of the RFR, including the submission of required attachments, may lose points or be deemed unresponsive and disqualified. Unless otherwise specified, bidders may submit responses proposing alternatives which provide equivalent, better or more cost effective performance than achievable under the stated RFR specifications. These alternatives may include related commodities or services that may be available to enhance performance during the period of the contract. The response should describe how any alternative achieves substantially equivalent or better performance to that of the RFR specifications. The department will determine if a proposed alternative method of performance achieves substantially equivalent or better performance. The goal of this RFR is to provide the best value of commodities and services to achieve the procurement goals of the department. Bidders that propose discounts, uncharged commodities and services or other benefits in addition to the RFR specifications may receive a preference or additional points under this RFR as specified.

Environmentally Preferable Products and Services. The department and contractor(s) may negotiate during the contract term to permit the substitution or addition of Environmentally Preferable Products (EPPs) when such products become available at a competitive cost and satisfy the department's performance needs. Unless otherwise specified in the RFR, during evaluation of responses, an EPP may be considered best value even when the price is greater than that of a non-EPP (recommended not to exceed 10% in price). Bidders are encouraged to submit information to identify any and all environmental attributes of the product or services being procured, even when such attributes are not being required.

1.0 Procurement and Contracting

1. PROCUREMENT

1.1 Purpose of Procurement

The purpose of this procurement is to institute a statewide contract for the bulk collection (2,000 lbs or more), reuse and recycling of computer monitors, televisions, other Cathode Ray Tube (CRT) devices and electronic equipment. The Department of Environmental Protection expects to sponsor up to \$300,000 per year in payments through a single-payer contract, emphasizing collections from 8-15 permanent regional facilities across the state. Most of these PRFs are central processing areas of charities such as Salvation Army and Goodwill Industries (see Section 2). The purpose of this contract is to guarantee a market for used electronics prior to the implementation of a solid waste ban on disposal of all residential and commercial Cathode Ray Tubes (CRTs) on April 1, 2000. At least two contracts will be awarded to service the entire state. The Department reserves the right to negotiate with the selected contractors to service smaller regions, but only vendors bidding on the entire state will be considered for regional service.

1.2 Definitions

The term **“the Contractor,”** as used in this RFR, refers to the awarded bidder and all subcontractors that may be involved in providing the services described in the RFR.

The term **“state agency,”** as used in this RFR, means all agencies of the Commonwealth and their contractors. These include all constitutional offices, the legislature, and the judiciary; cities, towns, municipalities, counties and other political subdivisions of the Commonwealth, including schools, and other service districts; authorities, commissions, institutions of higher education, and quasi-public agencies; not for profit organizations currently contracting with the Commonwealth to provide human, social, and environmental services; and other eligible entities designated in writing by the State Purchasing Agent.

The phrase **“collected at state facility,”** as used in this RFR, refers to materials generated at or collected by any facility owned, leased, or operated by any state agency, including items generated by other private state Contractors or non-profit organizations in the course of performing services for such agencies.

The term **“generating facility,”** as used in this RFR, means the facility at which the materials collected by the Contractor originated.

The term **“Permanent Regional Facility,”** as used in this RFR, means any facility which has an agreement with the Massachusetts DEP to act as a handler and to accept and store materials collected from state facilities for processing, repair, recycling, or disposal by the Contractor.

The term **“excess revenue”** as used in this RFR, means any offer of positive revenue for material once all collection costs and processing costs have been covered by material revenue.

2.0 Scope of Services

The goal of this contract is to provide a guaranteed repair, recycling and disposal market for municipalities, state agencies, and their agents. The purpose is to guarantee a market for electronics recycling once the Department of Environmental Protection institutes a solid waste ban on CRTs on April 1, 2000. The department anticipates paying for most of the recycling bills through the Clean

Environment Fund, a ten million dollar recycling fund reserved for municipal recycling grants and contracts. Through the selected contractor, the Massachusetts DEP seeks to guarantee that any CRTs banned from disposal have a dedicated repair or recycling alternative in the state.

Most of the services provided under this contract will be for two ton quantities, at loading docks, at permanent regional collection facilities (University of Massachusetts, Goodwill, Salvation Army, etc.) across the state, approved for collection by the Commonwealth. Massachusetts DEP will provide the selected contractor with a list of approved PRFs, address and contact names. The scope will not require the vendor to collect quantities less than 2,000 pounds or from small municipal offices, drop-off programs, etc., though the contractor may offer to provide those services, either at the expense of those generators or with prior approval by the DEP.

The Contractor must resell, repair, recycle or dispose of the electronics and CRTs collected under this contract according to section 2.2.

2.1 Collection of Computer and Television systems and components from Permanent Regional Facilities

All contractors must collect from Permanent Regional Facilities, and must accept deliveries FOB their facility from state agency contractors (Third Party handlers) approved by DEP. Attachment D shows the permanent regional facilities collected from during 1999, the tonnages collected, and the number of collections. 78 collections were held in 1999, averaging over 5 tons per collection. Occasionally, the contractors may be asked to pick up a load of material at another site if the municipality or agency has accumulated at least 2 tons of material; however, most of those generators will be responsible for delivery to the Contractor's facility.

The selected contractors must maintain collection routes and stay in regular contact with Permanent Regional Facility operators. Details on setting up and maintaining these collection routes are provided below.

- **2.1.1 Set-up:** distribution of pallets and gaylords, shrink-wrap, on-site training. The PRFs described in Attachment D are already set up for collections, and the awarded contractor must simply replace containers, pallets and shrink wrap as necessary during normal collections. As new PRFs are added, the awarded Contractor must provide or replace to them, upon request, original pallets, gaylords or shrink-wrap for storage and transportation of CRTs and all other items awarded under contract to the Contractor. Currently, 9 Permanent Regional Facilities are collecting CRTs in quantities of at least 2,000 lbs. per month either shrink-wrapped on pallets, or in gaylord containers on pallets. The Contractor will agree with the PRF on storage of electronics, either indoors accessible by loading dock, or in trailers, as arranged with the Contractor.

During the set-up of a PRF, the Contractor must initiate correspondence with the PRF by letter and by phone and distribute instructions on acceptable materials, scheduling procedures, minimum pickups, etc. Contractor(s) must provide all Permanent Regional Facilities with appropriate labels which identify the contents of each container and state that they are "to be resold, repaired, salvaged or recycled." The Contractor must set up facilities within 30 days of request by the state agency. The Contractor must provide written guidance materials to all users explaining the procedures for using the contract at the time of the first order or at any other time upon request of a state facility or The DEP. Written guidance must be submitted to The DEP for approval within 21 days of the contract award date.

Optional: It is desirable that vendors offer on-site training to assist PRF users of the contract. An additional point will be awarded for free on-site training. To receive this bonus point, Bidders **must** include with their response a description of such on-site training services, and their proposed cost.

2.1.2 Collection and trucking operations and capacity: Bidders **must** identify the necessary trucking and collection capacity needed to service the Regional Centers on a timely basis. Contractors must provide a dispatcher, truck and driver.

Optional: It is desirable that vendors identify thoughtful and efficient collection mechanisms. For example, if the Bidder provides roadworthy trailers for exchange, at rental fees of less than \$100 per month, Points may be awarded.

2.1.3 Delivery: Unloading arrangements for materials delivered FOB to the Contractor. The Contractor must allow deliveries of at least 500 lbs. directly to the Contractor's facility, given ample scheduling time to be determined by the Contractor but not to exceed 10 business days from request by the state agency.

Optional: It is desirable that vendors offer their own sites as permanent regional facilities, to accept electronics directly from residents, on some regular basis. Points will be awarded for each site offering collections during at least one day per month.

2.2 Repair, Salvage, Processing, Marketing and Recycling of Computer and Television systems and components:

In Attachment B, for each of the steps listed below, the Bidder must provide a complete description of their proposed recycling process for TVs, computers and other (optional) electronics they propose to collect. Recycling means that materials such as plastic, ferrous and non-ferrous metal, glass and other raw materials are separated and delivered to processors for marketing as raw materials for new value-added products. These descriptions should demonstrate the Bidder's capacity to service the contract by describing the recycling process used, the staffing and number of shifts available, and the markets the Bidder has identified for each end product (e.g. resale, repair, parts salvage, scrap recycling, export).

Bidders must provide documentation that they have the technical and financial wherewithal to recycle up to 3,000 Tons Per Year (TPY) of Cathode Ray Tubes (CRTs) and other electronic devices, in an environmentally sound way, either on their own or through their subcontractors, across the state. Bidders may also provide an additional, optional, alternative proposal to collect only from a region of the state. After awarding at least one statewide contract, DEP may consider regional bids, splitting up the second contract capacity geographically, at the sole discretion of the DEP, if the price for a smaller geographic contract is deemed more attractive to the DEP.

2.2.1 Screen for Resale and Repair: The electronics collected through the DEP grant program are intact, assembled consumer commodities such as televisions and personal computers. Before the Contractor may recycle these items for scrap, the Contractor must examine each item to determine the feasibility of resale or economic repair (domestic or foreign), and may sell these items to these markets for a positive fee. To discourage disposal of unrepairable CRTs through resale markets, not more than 75% of all CRTs collected may be resold for repair and reuse overseas, and all sales must be for positive revenue FOB the Contractor's facility. With approval by DEP, this step may be subcontracted by the Contractor to the operators of the Permanent Regional Facilities.

2.2.2 Salvage of working parts: Following the screening for resale and repair, the Contractor **must** disassemble the remaining items in order to recover parts suitable for use in repairing older model electronics, if feasible, or subcontract this salvage operation. For example, the Contractor must identify potentially repairable and resellable television "mother boards", working CRTs, cabinets, speakers, etc. during disassembly and market these to repair and resale markets.

Optional: It is desirable that vendors identify firm marketing plans for individual component reuse.

Points will be awarded to proposals which identify reuse plans for more than 5 individual components of televisions or computers, such as hard drives, tuners, etc.

2.2.3 Recycling Operations: For components not repaired or salvaged, the Bidder must identify the recycling processes to account for the management of the following items, and specify the labor and equipment used in the process and the saleable end-product. **Recycling and disposal** must occur in accordance with all applicable federal, state and local laws and regulations. Processing of television and computer equipment must be conducted such that all circuit boards, aluminum, leaded glass, other lead-bearing portions of the cathode ray tube, and other recyclable or reusable elements are recovered and recycled. For irreparable CRTs, the desired recycling option for leaded glass is that it be re-used to manufacture new glass, and preference will be given to Bidders that offer this option.

Optional: It is desirable that vendors identify firm marketing plans for plastic housings and fiberglass residue. Points will be awarded for plans which recycle plastic housings, and up to Points will be awarded for recycling other non-hazardous by-products. Attachment B must identify recycling processes and markets for each of the following materials:

2.2.3.1 Cathode Ray Tubes

2.2.3.2 Salvageable computer, TV and other reusable electronic parts

2.2.3.3 Printed circuit boards

2.2.3.4 Wiring, metals, wood, other non-hazardous byproducts

2.2.3.5 Hazardous materials (PCB capacitors, batteries, etc.) if any

2.2.3.6. Optional: Plastics

2.2.3.7 Optional: It is desirable that the Bidder also identify a recycling process for other components such as byproducts, such as fiberboard.

2.2.3.8 Residue management

In addition to computers and television equipment, it is desirable that Bidders propose a variety of other materials to be recycled or disposed. Preference will be given to the Bidders that offer the widest range of appropriate optional services in addition to CRTs. The Commonwealth reserves the right to select none or any number of optional items proposed. Within the 2000 lb. Minimum pick-up, the contractor is only responsible for separate record keeping and payment of quantities greater than 300 pounds for demanufactured components (e.g. printed circuit boards).

2.2.4 Waste Analysis, Quality Assurance/Quality Control: The Contractor must test all (non-recycled) waste materials leaving its facility to ensure that all hazardous substances are disposed of in accordance with all applicable federal, state, and local regulations.

2.2.5 Compliance with Applicable Laws and Regulations: All services provided under this contract must be carried out in compliance with all federal, state, and local laws and regulations. Regulations to be complied with include but are not limited to those dealing with environmental protection, occupational health and safety, and transportation. It is the responsibility of the Bidder to determine what laws and regulations are applicable, and to comply fully with those laws and regulations. Nothing in this RFR is to be interpreted as allowing, promoting, or requiring actions that would cause a violation of any applicable law or regulation.

2.3 Administration, Reporting and Billing System

2.3.4 Documentation of Recycling and Disposal: If electronics are transported for disposal or out-of-state processing of waste material, the Contractor must provide a bill of lading, or any waste manifest required by the state in which any receiving facility (see definition) is located. Subsequent copies of the bill of lading or manifest, signed by transporters and/or receiving facilities, must be provided as required by applicable laws and regulations.

If the Contractor transports any materials processed under this RFR on a hazardous waste manifest, the Contractor must maintain 24-hour phone service at all times that such materials are in transit. This service must be operated by individuals with knowledge of the types and amounts of materials being transported. Bidders **must** describe the days and hours that phone service will be available, and **must** include a toll-free phone number to be used for such service.

3. Pricing

For each material to be repaired, salvaged or recycled, Bidders **must** fill out Attachment A and list the unit price to be charged. To receive points for optional items, Bidders **must** also note the cost of recycling or disposing of each optional item in Attachment A, along with any special collection requirements. Minimum orders as specified in this RFR also include optional items. The unit price **must** be per-pound. Prices for both required and optional items **must** be inclusive of all costs including collection and transportation of materials from state agencies, provision of all required documentation and labels. In order to simplify record keeping and reduce billing disputes, the Department reserves the right not to evaluate bids which include a speculative "excess revenue sharing" component in the fee for electronics which may or may not be resold by a contractor. Any revenue sharing arrangements will be treated as a subcontracting relationship between the Contractor and the PRF.

3.1 Unit costs

The Bidder must submit prices for recovery and recycling services, using Attachment A. The unit price must be per pound of material. Prices for both required and optional items must be inclusive of all costs including collection and transportation of materials from state agencies, provision of all required documentation and labels, and replacement of shipping containers to state agencies upon request. A standard tare weight of 60 lbs. must be subtracted from shipments for each pallets and gaylord container collected, or 40 lbs. for each pallet.

3.2 Recyclable categories

3.2.1 Unsorted computer and television equipment: Because there is no guarantee that loads of electronics will be pre-sorted, the Bidder must first provide a price for recycling of commingled loads of unsorted Computer Monitors, CPUs, and television equipment. Under this bid component, the Contractor must process any combination or quantity of television and computer equipment prepared according to specifications (in gaylord containers or shrink-wrapped pallets).

3.2.2 Sorted monitors, CPU' s, televisions and miscellaneous electronics.

For large volume collections (over 6,000 lbs.), Bidders must submit separate prices for sorted container loads or pallets of sorted material. At a minimum, Bidders should submit four separate prices for categories of pre-sorted equipment: Monitors, CPUs, Televisions, Misc. Electronics (keyboards, printers, cords, scanners, etc.).

3.2.3 Optional: Acceptable contaminants.

While DEP does not encourage collection of miscellaneous consumer equipment such as VCRs, portable telephones, fax machines, printers, etc., DEP also recognizes that some of this equipment may be acceptable to the Bidder for recycling. The Bidder may identify acceptable (and unacceptable) equipment which may be placed in unsorted loads at municipal collection points, which the Bidder offers to recycle within the commingled price, provided that a plan for this equipment is identified in Attachment B. Bidders should only propose acceptable additional materials if they can be handled for a cost less than or equal to the cost of computer and television equipment.

3.3 Volume Discounts and Container Fees:

3.3.1 Prices for 2,000-6,000 lb. Minimum collection amounts and 6,000+ lbs.: As an incentive to reduce the frequency of trips to Permanent Regional Facilities, Bidders **must** offer price discounts for large quantity collections. In order to simplify bid comparisons, two volume thresholds will be considered. First, Bidders must submit a price for less than 6,000 pounds of any combination of sorted or unsorted electronics (minimum collection of 2000 pounds, or a flat fee equivalent to that amount for smaller pick-ups). Second, Bidders must submit a price per pound for over 6,000 pounds.

3.3.2 Delivered discounts: Because some state agencies or their 3rd party contractors will be capable of delivering loads directly to the Contractor's facility, Bidders must submit a separate fee for loads delivered FOB to their facility. Such deliveries must be scheduled in advance with the Contractor, and equipment must be arranged in a manner acceptable to the Contractor for unloading. Bidders may submit more than one facility to accept deliveries at this price. Such a discount for agencies or 3rd party transporters will be considered as an enhancement to trucking and hauling capacity.

3.3.3. Container and other set-up fees: The contractors will be allowed to add additional charges for supply of pallets, shrink-wrap, gaylords, trailers and other containers AT COST, if approved in advance by the state agency.

3.4 Optional Volume Discounts:

3.4.1 Trailerload quantities: It is desirable that bidders submit a price per pound for trailerload quantities and state the tonnage or number of pallets necessary to earn this discount. Bidders may also submit a trailer rental fee.

3.4.2 Annual thresholds: It is desirable that Bidders submit mass-quantity discounts to encourage the Department to undertake larger grant awards on an annual basis. For example, a discount on tonnage delivered after a 200 ton /FY threshold will encourage the state to award grant access to more municipalities, and may also reduce the state's interest in awarding multiple Contractor contracts. These discounts will only apply to unsorted computer monitors, CPUs, and television equipment unless otherwise negotiated after contract is awarded.

3.5 Optional: Subcontracted sorting and storage to PRFs

Because the separation of individual types of equipment under the volume discount can create a floor space burden for PRFs (Goodwill Industries, Salvation Army, etc.), the Commonwealth may approve contractors to charge the state the flat unsorted rate (3.2.1) for sorted materials, if and only if the Contractors show that they have paid the PRF the difference as a subcontract or sorting fee. For example, contractors may pay PRFs to sort keyboards, mouse, printers etc. by brand, interface, etc.

4. Mandatory: Qualifications

4.2 Insurance

4.2.3. Pollution and Hazardous Waste Liability

The Contractor and all subcontractors, at their own expense, must maintain during the life of this contract pollution and hazardous waste liability insurance coverage, written on a claims made basis. The policy date or Retroactive Date must predate this contract and the termination date of the policy or applicable extended reporting period must be no earlier than one month after the end of the contract. This insurance must be written with respect to all coverages, for not less than the following policy limits:

\$1,000,000 each occurrence; \$1,000,000 aggregate.

4.7 Experience

Bidders **must** have at least two years of documented experience recycling, repairing, exporting or reselling used computers, televisions, or appliances, and **must** be capable of providing the services requested in this RFR. Descriptions and documentation of specific projects, along with resumes of management and key personnel, **must** be provided to demonstrate this experience and ability. It is desirable that Bidders have demonstrated significant experience in providing the types of services requested in this RFR, and have demonstrated the ability to perform the desired services in an effective and environmentally sound manner.

4.8 References

Bidders **must** provide three commercial business reference contacts for whom the bidder has performed the types of services listed in this RFR, using the attached reference form. No more than one reference may be from a Massachusetts state agency. It is desirable that references demonstrate effective service similar to those being required in this RFR.